UNITED NATIONS

DP

Governing Council of the United Nations Development Programme

Distr.
GENERAL

DP/1993/SR.22
8 September 1993

ORIGINAL: ENGLISH

GOVERNING COUNCIL

SUMMARY RECORD OF THE 22nd MEETING

Held at Headquarters, New York,
on Thursday, 10 June 1993, at 10 a.m.

President: Mr. HADID (Algeria)

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The meeting was called to order at 10.15 a.m.

UNITED NATIONS TECHNICAL COOPERATION ACTIVITIES (DP/1993/39, Add.1, Add.2 and Add.3)

1. Mr. JI Chaozhu (Under-Secretary-General, Department of Development Support and Management Services), introducing the report of the Secretary-General on United Nations technical cooperation activities, said that the Department of Development Support and Management Services made use of a bold, coherent, multidisciplinary approach to technical cooperation that embodied many of the principles advocated in recent General Assembly resolutions on improvements in the operational activities of the United Nations. The Department was active at all levels in coordinating the work of specialized agencies in peace-keeping, humanitarian affairs and sustainable development. Some of the specific newer initiatives of the Department addressed the problems of Africa and the least developed countries, technical cooperation among developing countries and questions relating to the environment, programme evaluation and women in development.

2. As part of its mandate the Department was participating in the implementation of decisions 91/32 and 92/22 on agency support cost arrangements. The decisions reflected, inter alia, the views of the specialized agencies, including UNDP, regarding refinements in the system to make it more effective. Therefore, the Department was concerned that recent delays in the implementation of the support costs arrangements were impeding the work of the Department and other relevant agencies in support of programmes and projects financed by UNDP, in particular, technical support services at the project level (TSS-2). He was pleased that various Governments had taken note of the problem and that UNDP had proposed taking positive steps towards a solution. He also said that progress in implementing services at the programme level (TSS-1) remained slow, although a number of TSS-1 exercises were either at the design stage or under way.

3. The Department valued technical expertise highly and sought to assemble experts in order to provide focused support for development projects in the areas of economic management training, development policy, public administration, business administration, financial management and natural resources management. Emphasis would also be placed on the development of human resources and social infrastructure on a national basis and on capacity-building for sustainable development. In that connection, he looked forward to working with the Management Development Programme (MDP) in the capacity-building effort.

4. He described four topics that the Department had assumed pursuant to resolution 47/199: the country strategy note, the programme approach, national execution, and the Resident Coordinator System. Implementation of those initiatives would enable the Department to provide assistance to developing countries more effectively. Working together with its partners in development, the Department would strive to have an impact in the countries it served. He looked forward to the report on the accomplishments of the Department during the 1994 session of the Governing Council.

5. Mr. POPESCU (Romania) welcomed the fact that the Department of Development Support and Management Services would be undertaking technical cooperation focusing on the developing countries and the countries in transition. In 1992, that Department's predecessor - the Department of Economic and Social Development - has been participating in 918 technical cooperation projects, mostly in Sub-Saharan Africa. He was gratified to note that recruitment of women and experts from the developing countries had increased in 1992 and that the number of subcontracts awarded to companies in those countries had also increased. He hoped that Romanian experts would be better represented in the Organization's technical cooperation projects in 1993.

6. Romania had been impressed with the work done by the former Department of Economic and Social Development in technical cooperation, especially in the environmental sector in Africa. He also appreciated the initiatives undertaken by the Department in the areas of peace-building, the improvement of governance and financial administration, electoral assistance and privatization. However, he regretted the decrease of 40 per cent in the number of training degrees awarded in 1992 as compared to 1991, as well as the gap widening between the training and personnel components of the Department's project expenditures budget. In addition, the proportion of equipment orders placed in developing countries had declined.

7. In Romania, the Department had assisted in designing and implementing a privatization programme as well as the first full population and housing census since 1977. Publication of the data from the census had already begun. In addition to the work of the Department of Economic and Social Development, Romania had also benefited from assistance from the Economic Commission for Europe through its programme for economic reconstruction in Eastern Europe. He also thanked the Centre for Human Rights for the electoral assistance it had provided as well as its support for a series of human rights seminars in Bucharest.

8. Romania welcomed the measures taken by the Secretary-General to restructure and revitalize the work of the United Nations in technical cooperation. The new Department of Development Support and Management Services (DDSMS) would sharpen the focus and enhance the impact of the Organization's technical cooperation programmes in the developing countries and the countries in transition. The Department should concentrate on institutional capacity-building, human resources development and technical support with and emphasis on management training. He also recommended the creation of a national capacity-building trust fund within DDSMS.

9. Mr. DENG Zhihui (China) asked how it was possible for the recruitment of the Department of Economic and Social Development to have increased, even as the amount of resources allocated for implementing projects had declined. He hoped that the transfer of technical cooperation functions to DDSMS would result in increased efficiency in programmes execution, particularly with regard to capacity-building.

10. Mr. ACHA (Peru) asked whether there was more written information available on the Department's participation in electoral assistance programmes, and what sort of technical assistance the Department could provide to countries such as Peru which had ratified the various international agreements emerging from the United Nations Conference on Environment and Development (UNCED) but lacked the technical capacity to implement them efficiently.

11. Mr. JASINSKI (Poland) said that the technical cooperation of the Department of Economic and Social Development warranted the praise of the Council, and the Department's successor promised still more successes. Poland believed that the execution of projects in sustainable development should be made an urgent priority of the new Department. While he believed that the use of resources from the Global Environment Facility (GEF) was appropriate for technical cooperation projects implemented by the Department, such projects must face the highest standards of performance. Implementation of the UNCED agreements would require expert technical advice and the kind of knowledge and experience which only the Secretariat agency could provide. He hoped that the new Department would be able to share its expertise with national legislatures such as Poland's which would be drafting laws on diverse technical subjects such as mineral exploitation, energy use, pollution abatement and public finance. Expertise in those areas was of particular importance for Poland and other countries with economies in transition.

12. Mrs. CORVALAN (Observer for Chile) said that Chile supported all the proposals put forward under the Cairo Plan of Action and had participated in their adoption. She hoped that the proposals would help her country to make progress in technical cooperation and that consultants sent to countries under technical cooperation arrangements would be conversant with the specific needs of those countries.

13. Mr. JI Chaozhu (Under-Secretary-General, Department of Development Support and Management Services) said, in reply to comments made by various speakers, that his Department would focus its work on institutional and human resources development because the best way would be for his Department to help the recipients by helping themselves. On the question of providing documentation on electoral assistance, he would respond immediately as soon as specific material on the subject was available in his Department. As the Secretary-General had stressed, all United Nations departments should work together as a single team. The theme that there could be no peace without development nor development without peace would continue to be emphasized in the years ahead.

14. The fall in resources was a matter of great concern and UNDP, the United Nations Population Fund and various departments, including his own, had taken action to make the best use of the extremely limited resources available. The suggestion concerning the establishment of a trust fund for his Department was welcome.

15. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished the drafting group to begin elaborating a draft decision on that subject.

16. It was so decided.

OTHER MATTERS

(e) IMPLICATIONS FOR THE UNITED NATIONS DEVELOPMENT PROGRAMME, IN PARTICULAR FOR THE OFFICE FOR PROJECT SERVICES, OF RECENT DECISIONS ON ADMINISTRATIVE REFORM OF THE UNITED NATIONS SECRETARIAT (DP/1993/20 and DP/1993/70)

17. Mr. DRAPER (Administrator, United Nations Development Programme), introducing document DP/1993/20, said that over the coming years the Governing Council and UNDP should remain vigilant and ensure that the fundamental strength of the Office for Project Services (OPS), its ability to deliver development assistance effectively to recipient countries, remained intact. The task at hand was to create an environment that would enable OPS to adapt to the ever-changing needs of developing countries.

18. The tremendous growth of OPS in recent years attested to its responsiveness to demands for effective delivery. That responsiveness was the result of a very strong relationship between UNDP and OPS at headquarters and in the field through a constant interchange of personnel that brought together programming and operations experience thus making UNDP/OPS staff a unique asset.

19. However, OPS had outgrown its need for control by UNDP and was ready to take on new and more challenging responsibilities. Throughout the restructuring process, the primary concern of UNDP had been to preserve OPS as an effective implementing entity for UNDP and recipient countries, while at the same time allowing it to bring its dynamism to the system as a whole.

20. The idea of a corporate model for the new OPS under the direction and guidance of an independent Management Board had been settled upon as the best means for preserving the operational capabilities of OPS and creating an environment in which OPS could continue to thrive. The Management Board would continue to be guided by the Governing Council. The Board's mandate would be to assist the Secretary-General in providing policy and management direction to the new OPS. The semi-autonomous status of OPS would help allay any misgivings or uneasiness about the Office.

21. In its new structure, OPS would be the largest implementing agency in the United Nations system. UNDP and the Council must protect the resources entrusted to OPS and, for that reason, the Council should closely monitor the process of relocating OPS.

22. OPS provided the opportunity for a new kind of operation for the United Nations, one that responded in an efficient and flexible manner to the needs of beneficiaries. It must therefore be endowed with commensurate resources and staff. He recommended the Council to endorse the report of the Task Force.

23. Mr. JI Chaozhu (Under-Secretary-General, Department of Development Support and Management Services) said that he fully endorsed the UNDP Administrator's statement. In introducing document DP/1993/70 on the report of the Task Force on OPS, he noted that the Task Force had agreed upon the modalities for the transfer of OPS which would ensure its competitiveness and effectiveness.

24. In its conclusions, the Task Force had reaffirmed that the mandate and functions of OPS would be to provide management services and assume implementation responsibilities for development projects and programmes. The

(Mr. Ji Chaozhu)

Task Force had recommended that the UNDP Governing Council should provide general policy guidance and direction for OPS under the purview of the Economic and Social Council and the General Assembly. The Governing Council would be the main organ responsible for guiding the programme, funding and coordinating activities of UNDP and the operational and implementation activities of OPS.

25. The need to achieve the unity of purpose stressed by the Secretary-General lay behind the main goals of the restructuring exercise as did the recommendation to establish a Management Board to assist the Secretary-General in providing policy and management direction in the function of OPS. The participation of the UNDP Administrator in the work of the Board would ensure that OPS continued to respond to the requirements of development assistance while the membership of the Under-Secretary-General for Administration and Management would ensure that the financial, administrative and personnel arrangements required to maintain OPS effectiveness were implemented. The functions of the Management Board would include ensuring the implementation of the mandate of OPS; ensuring the appropriateness of rules and procedures for the operations of OPS; reviewing the biennial programme and budget of OPS and related submissions to the UNDP Governing Council, General Assembly and other bodies, reviewing and evaluating the performance and effectiveness of OPS and approving requests from the OPS Director for the establishment, within available income, of additional posts below D-1 to be incorporated in subsequent budget submissions.

26. The Task Force concluded that OPS would continue to operate as a self-financing entity but that its size must vary with the size and nature of its business. OPS would continue to enjoy considerable flexibility and delegation of authority in the recruitment of staff. Its funds would be held and administered solely for the purposes and activities of OPS. The Task Force further recommended that the budget of OPS should be approved by the UNDP Governing Council after review by the Advisory Committee on Administrative and Budgetary Questions. OPS would also enjoy ample delegation of authority in the budgetary and financial area comparable with what it currently enjoyed with UNDP. With respect to procurement, OPS would operate under regulations and rules which would allow it to maintain its current flexibility particularly with respect to the provision of management services.

27. The relocation of OPS was feasible without producing an adverse impact on its current operations. The combination of the operational capabilities of OPS with the technical and substantive capacity of his Department would result in a new and stronger organization that was more responsive to the complex needs of developing countries. It would also further strengthen the role of UNDP as the central funding and coordinating body for operational activities within the United Nations system.

28. Ms. KNUDSEN (Observer for Denmark), speaking on behalf of the European Community, stressed the importance of maintaining and further increasing the flexibility, efficiency and cost-effectiveness that had characterized the work of the Office for Project Services (OPS) under existing arrangements and of maintaining it as a semi-autonomous and self-financing body. The relationship between the Governing Council, the OPS Management Board and the Office itself should be further clarified and the respective roles of the Council and the Board should be clearly defined. Further information would be appreciated on

(Ms. Knudsen, Observer, Denmark)

measures to ensure that the current staff would have the opportunity to rotate between OPS and UNDP and whether such an arrangement would also apply to new staff. She also wished to know whether the staff of DESD in the areas of finance, personnel and procurement would be included in that rotation and what the financial implications of their absorption would be.

29. Submitting the budget to both the Governing Council and the Fifth Committee was an unusual arrangement. Detailed information was requested concerning the procedure involved and the respective roles of the two bodies. There appeared to be a danger that the Council could approve a budget which would then be rejected by the Fifth Committee.

30. UNDP would continue to provide OPS with essential services in a number of areas during the transition period. She would like to have a clear indication about the length of that period and who would provide those services subsequently. A timetable indicating the anticipated activities should be provided as soon as possible and a progress report on the transfer should be submitted at the special session of the Governing Council in February 1994. Subject to satisfactory clarification of those points, the member States of the European Community could support the ideas set forth in the report of the Administrator (DP/1993/20). They would closely follow the performance of OPS under the new arrangement, and its success or failure would be judged strictly by results.

31. Ms. LIEDES (Finland), speaking on behalf of the Nordic countries, expressed a deep commitment to the process of reforming the United Nations in the economic and social fields, including operational activities. The Nordic countries had serious concern about the transfer of the Office for Project Services (OPS) and felt that further justification of the proposed change was still necessary. A distinction should be made between two broad categories of functions: normative functions and operational ones. Normative functions, such as analytical and research activities, should, in principle, be the main responsibility of the Secretariat; while operational functions should primarily be performed by the funds and programmes. Furthermore, reforms should be designed to increase clarity with regard to the roles of the various bodies concerned and the organization and administration of the Secretariat and promote a more efficient governance system. Since the Secretariat should concentrate on normative functions, an operational entity like OPS with a semi-autonomous status and different personnel policies and financial rules should not be a part of it. Furthermore, the proposed transfer of the Office would add to the increasing trend of financing Secretariat functions through extrabudgetary sources. That was a cause of concern for the Nordic countries.

32. With regard to governance, the establishment of a Management Board might introduce ambiguity into the chain of command, which was contrary to the spirit of the reform process. Moreover, the proposed involvement of both the General Assembly and the Governing Council would further blur the issue. The Nordic countries emphasized the need to maintain and enhance the flexibility, efficiency and cost-effectiveness of OPS, which should remain self-financing. That was especially needed in view of increased national execution so that recipient countries could have the option to use the Office to implement their programmes and projects.

(Ms. Liedes, Finland)

33. The Nordic countries were also concerned about the financial implications for UNDP of the transfer of OPS. Further details were requested on the Office's actual income as part of the Programme's overall income. The extent to which the proposed relocation of OPS would affect the willingness of multilateral and bilateral organizations to make use of its services should also be considered.

34. She requested further clarification of the implications of the transfer for the personnel concerned. The main issue was how to ensure that the staff could rotate between UNDP and OPS and how personnel with a development perspective could be retained and attracted. Lastly, OPS was to absorb certain functions currently being carried out by DESD. The Nordic countries would appreciate more information on both the financial and technical implications of that proposal. All those issues should be clarified before a final decision was taken. Serious consideration should also be given to the possibility of establishing a fully autonomous unit of OPS and separating the relevant part of DESD from the Secretariat.

35. Mr. BISTA (Observer for Nepal) said that the importance of OPS for the least developed countries would be further increased after the absorption of the unit performing similar functions in the Department of Economic and Social Development (DESD). The enhancement of the Office's operational efficiency and cost-effectiveness would be based, inter alia, on self-financing, the OPS management culture, further decentralization as well as the added strength resulting from the merger of two organizations. Under the proposed arrangement, OPS would provide direct support services and assume implementation responsibilities, upon request, in national execution and strengthen national implementation or capacity-building where required.

36. The Office's mandate should clearly specify capacity-building/strengthening for national implementation as a separate task since that very important activity should be a major function in itself. The self-financing principle could encounter difficulty when personnel were rotated between OPS and UNDP. Lastly, further information should be provided on the size and source of the reserve fund to be established initially and the proposed decentralization measures, particularly with regard to procurement and finance. An indication should also be given of the added strength of OPS after the merger.

37. Mr. PONCE (Ecuador) said that his delegation shared the views expressed by preceding speakers that OPS had been a model of effectiveness. While somewhat apprehensive concerning the transfer of the Office, his delegation was aware of the possible advantages which that might have for the United Nations system. The views expressed by Denmark and Finland were very pertinent, particularly with regard to defining the role of the Governing Council and the OPS Management Board as well as personnel policy and possible financial implications. His delegation therefore awaited with great interest the further information which would be submitted in that regard. When the Governing Council took a decision on the matter, his country would offer its cooperation so that the Council could help maintain the support that the Office had been providing to developing countries.

38. Mr. DENG Zhihui (China) said that he was very pleased to see that a number of the problems of concern to Council members at the February session had been largely solved. Appropriate solutions had been found for such problems as the relationship between OPS and the Council and the maintenance of the Office's status as a semi-autonomous entity. The proposed reform would not only enhance the efficiency of OPS in providing services to recipient countries, but would also make UNDP focus its efforts on carrying out its main function as the leading central funding body in order to mobilize more financial resources and to be more responsive to the needs of developing countries with regard to multilateral technical assistance.

39. Ms. VOLKOFF (Canada) said that every one was interested in achieving the same objective: efficient and effective delivery of technical assistance with best use of available resources. Thanks to its semi-autonomous and self-financing character, OPS had an enviable record of achievement. Any reduction in that efficiency would not reflect well on the United Nations, particularly at a time when its effectiveness was regularly being examined in the press. In spite of the information provided in the two reports under consideration, her delegation felt that there were a number of questions that still required further clarification. Canada associated itself with the remarks made in that connection by Denmark on behalf of the European Community. In view of the questions raised at that meeting, there should be an opportunity for the OPS Task Force to respond to them before the Council took a decision on the matter.

40. Mr. MONROE (United States of America) said that the recommendations by the OPS Task Force with regard to the Office's mandate, governance and basic authority still did not address many of his delegation's concerns about an undertaking that it had viewed as questionable from the very beginning. Neither of the reports under consideration described exactly how the semi-autonomous and self-financing character of OPS would be achieved and maintained. Although the Office would operate as a self-financing entity, its financial soundness was contingent upon continued use by its clients. It was not clear how and under what conditions other United Nations bodies would have access to the Office.

41. His delegation remained convinced that the Programme's important central role in the United Nations development system bridging the many sectors of development must be maintained. The critical role that UNDP Resident Representatives must play as resident coordinators in managing OPS activities in the field could not be overemphasized.

42. Neither of the reports under consideration gave a clear indication of the specific governance roles of the different responsible parties. Many of the functions to be assigned to the Management Board might be more appropriately carried out by the Governing Council. Only the Council could decide what its own role would be, although further thoughts by the Secretariat in that regard were welcome. While there was a short-term plan for the Programme to provide computerized services to OPS, his delegation was very interested in knowing the long-term arrangements in that regard.

(Mr. Monroe, United States)

43. He was very concerned about the staffing arrangements described in the report of the Task Force and inquired what would happen to current staff under the existing operations and whether OPS staff would be retained as of 1 January 1994. It was his delegation's understanding that the relocation of OPS aimed to focus the Office's expertise in a central place more accessible to its users. It remained unclear how the Office's budget would be reviewed. He believed that it was the responsibility of the Council to review and approve the OPS budget. In that regard, his delegation would appreciate an explanation by both the Task Force and the Administrator of the Fifth Committee's role in the budget process. It was clearly not acceptable to have two reviews and two approval mechanisms.

44. Lastly, his delegation was very concerned about the focus of the new Department of Development, Support and Management Services as described in the report on United Nations Technical Cooperation Activities (DP/1993/39). According to paragraph 9 (a) of the report, the Department would act as an executing agency, as required, for programmes/projects relating to institutional development and human resources development. Since that was a function of the Programme, he hoped that in setting up the Department, the Council would not be establishing another UNDP within the Secretariat. All those questions needed to be answered before the proposal could be adopted.

45. Mrs. VASISHT (India) said that while her delegation fully supported all the restructuring activities under way in the United Nations in the economic and social sectors and operational areas, it felt that the semi-autonomous and self-financing character of OPS must be maintained. The current structure was still capable of enhancing the Programme's role in developing countries. Whatever arrangements were ultimately decided upon should improve or at least preserve the current character of the Office. Her delegation had serious concerns about the division of authority between the Council and the Fifth Committee with regard to budgetary matters and hoped that the Council's authority in that area would in no way be diluted. India supported the statements made by Denmark, Finland, Nepal, Canada and the United States of America and expected that the Council would be fully able to participate in taking the decision affecting the future of OPS.

46. Mr. ISSINSKY (Russian Federation) said that his delegation supported in principle the efforts of the Secretary-General to enhance the effectiveness of United Nations activities and carry out an administrative reform of the Secretariat. The proposed transfer of OPS should not have any negative impact on the effectiveness of the Office's activities. He shared the concerns expressed in that regard by a number of delegations and stressed the need to refrain from taking hasty decision in the matter so as not to impair the work of OPS. The Council should take full account of the views put forward on the matter in the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1993/46).

47. Mr. AMIN-MANSOUR (Islamic Republic of Iran) stressed the need to maintain OPS as a distinct and semi-autonomous entity with a clearly defined relationship with UNDP as the major funding body for development projects. When the question of the transfer of OPS had been raised, his delegation had been concerned about maintaining the Office's effectiveness in the new Department of Development Support and Management Services (DDSMS) and the possibility of the natural growth of another OPS within UNDP in the future in view of the increased needs of developing countries which the Programme dealt with directly at the field level. It was hoped that OPS would be able to enhance its effectiveness and competitiveness under the new arrangement.

48. Mr. DRAPER (Administrator, United Nations Development Programme), replying to the points raised, said that he had taken note of the legitimate concerns of delegations and recognized that, despite the comprehensive documentation that had been prepared, there was still need for further explanations and clarification. He was confident, however, that UNDP could address the concerns of delegations and looked forward to meeting with representatives in an informal setting before any action was taken on the proposals.

49. Mr. EVERTS (Director, Office for Project Services) acknowledged, on behalf of the staff of the Office for Project Services, the compliments that had been paid to the Office. Whatever success had been achieved, however, was largely due to the Administrator himself, who had given the managerial latitude to permit the Office for Project Services to respond to the demands that had been made of it.

50. The PRESIDENT said that, if he heard no objection, he would take it that the Council agreed that the Drafting Group should begin the elaboration of a draft decision on the subjects considered.

51. It was so decided.

Document DP/1993/56

52. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to take note of the report contained in document DP/1993/56.

53. It was so decided.

54. Mr. DRAPER (Administrator, United Nations Development Programme), in his concluding remarks, welcomed the unequivocal recognition of the value of UNDP to the cooperative development efforts of the international community. A number of delegations had stressed the comparative advantages of the Programme, which were its multisectorality, universality, neutrality, multilateralism, strong relationships with Governments and local authorities, and its wide field representation.

55. Many delegations had also endorsed the growing involvement of UNDP in providing electoral assistance and strengthening democratic institutions. UNDP only intervened in that area, however, when it had a comparative advantage over

(Mr. Draper)

other agencies of the United Nations system. Indeed, the future role of UNDP within that system was closely linked to the question of comparative advantage. In that regard, UNDP was forging links between economic and human development, on the one hand, and democracy and political stability, on the other.

56. A number of delegations had advocated a more unified approach at the country level, with UNDP taking a leading role in the coordination of the local response of the United Nations system. Most delegations had also endorsed the programme approach, national execution, and support cost arrangements, which were new tools currently being developed by UNDP.

57. The principal task of UNDP was to promote sustainable human development and, in that regard, the Human Development Report, had brought about a recognition of the role of UNDP. Some concerns had been expressed about the methodology used in compiling the human development index and the accuracy of the statistics contained in the Report. He welcomed such constructive criticism and hoped that the participation of experts and of all concerned would serve to improve the methodology. With regard to the availability and accuracy of statistics, UNDP was ready to assist Governments in preparing country-specific human development reports which would both enhance national capacity in those fields and enable national policy makers to have access to relevant human development data.

58. As for the question of operationalizing the concern of UNDP with human development, he supported the efforts of member States to speed up progress in human development through capacity-building, assistance in aid coordination at the country level, and the sharing of experiences among countries. In the countdown towards the World Summit for Social Development in 1995, many countries might wish to prepare country strategies for more people-centred development and UNDP was ready to extend support to those initiatives.

59. For its part, the concern of UNDP for sustainability had been given a powerful endorsement by the United Nations Conference on Environment and Development. In that connection, the many statements of support for the potentially important role of UNDP in helping developing countries to implement the agreements concluded at the United Nations Conference on Environment and Development, particularly in the area of capacity-building, provided concrete and timely evidence of the seriousness with which countries around the world were taking the need to strive for a more sustainable world. Later in the session, UNDP would be pleased to report on its efforts to forge stronger links with UNEP and with the Commission on Sustainable Development.

60. He welcomed the positive response to Capacity 21 and the strong support it had received from donors. Capacity 21 was not supported by only a handful of donors and was not geared to the interests of only a few recipients. The statements made during the previous few days were evidence of the global interest in and commitment to Capacity 21 as well as to the priority attached to sustainable development and the need to place greater emphasis on capacity-building. UNDP intended to ensure that Capacity 21 was fully integrated into its overall programme. Additional resources were needed,

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however, to assist developing countries in identifying their priorities and formulating and implementing strategies for sustainable development.

61. Together with the World Bank and UNEP, UNDP also had an important role to play in the management of the Global Environment Facility (GEF). While addressing global priorities, its main rule would be to ensure that the focus was on national benefits and priorities that had been identified at the local level. GEF-funded activities would be closely coordinated with activities funded by IPFs and other sources in order to ensure cohesive support at the national level. The broad mandate of UNDP, together with its decentralized and relatively neutral approach, permitted it to work alongside national Governments to ensure that all the initiatives, funds and instruments which emerged from the UNCED process meshed together at the national level in furtherance of the same common objectives.

62. The concept of sustainability had both an ecological and an institutional dimension. In order to be sustained, human development must be rooted and nurtured in local soil. Indeed, ownership of and participation in the development process by beneficiaries was central to General Assembly resolution 44/211 and its successor resolutions. UNDP had worked steadily for the implementation of those resolutions and the major elements for their implementation were currently in place.

63. With respect to issues of programme performance and accountability, he noted the special interest which delegations had shown in evaluation in the context of the programme approach. Some delegations had warned that UNDP was spread too thinly, especially at a time when its resource base was under pressure. Others had voiced concern at the involvement of UNDP in humanitarian activities and in the HIV/AIDS pandemic. While he understood their concern and accepted that UNDP was neither alone nor necessarily the lead agency in those areas, the presence of UNDP was requested and valued by those whom it supported in those areas. The multisectoral approach of UNDP made it uniquely suited to address the social, economic, political, health and human implications of the epidemic.

64. He welcomed the support which a number of delegations had expressed for the evolving role of UNDP in humanitarian assistance. He also shared the Council's satisfaction at the recently concluded agreement between the Department of Humanitarian Affairs (DHA) and UNDP concerning the coordination of emergency humanitarian assistance and the related development continuum.

65. He shared the view that non-governmental and grass-roots organizations, which were part of the growing civil society in all parts of the world, were making increasingly important contributions to sustainable human development. Non-governmental organizations played a key complementary role to that of Governments and UNDP was well-placed to foster cooperation between Governments, NGOs and the United Nations system at the national level. The contribution of NGOs was perhaps most important as builders of locally-rooted development capacity and UNDP had been encouraged to collaborate with NGOs and community groups, particularly in the areas of poverty alleviation and sustainable development. While such cooperation could be a powerful means of engaging in

(Mr. Draper)

participatory development, genuine participation was a new and demanding process for an institution like UNDP, which had historically dealt with governmental partners. UNDP was therefore re-examining its policies and procedures with a view to improving flexibility while emphasizing efficiency and accountability in working with non-governmental partners.

66. The level of resources available to UNDP was a major cause of concern. While the quantity of resources was no substitute for quality of impact, the number of recipients had never been larger and the needs never more diverse. A minimum level of resources was absolutely necessary at the current time to maintain the country network of UNDP, to respond to new and changing calls for cooperation, to provide essential policy, administrative and accountability functions, and to give credibility to UNDP as a relevant and meaningful organization. With its current level of resources below that minimum, UNDP was in danger of losing either its universality of coverage or its credibility, or both. It was simply not possible to take on increased developmental tasks and to respond effectively to them with stagnant or reduced levels of resources.

67. Several new recipient countries had expressed their appreciation for the support which UNDP had offered to countries in transition. A number of other beneficiaries, however, in particular the very many least developed countries, had cautioned that, in responding to new demands, UNDP should not reduce the resources allocated to countries still facing long-term development challenges. He was particularly sensitive to the special needs of Africa and it was important to safeguard the ability of UNDP to provide support of an appropriate type and at an appropriate level for the African continent.

68. He wished, finally, to thank all those speakers who had been kind enough to thank him for his seven years of service with UNDP and to extend their good wishes for the future. It was a moving and proud experience to have received the appreciation of such a wonderfully diverse group.

69. The PRESIDENT said that the Council had thus concluded its debate on the annual report and programme-level activities. If he heard no objection, he would take it that the Council agreed that the Drafting Group should begin the elaboration of draft decisions on the relevant subjects touched upon under that item.

70. It was so decided.

The meeting rose at 1.05 p.m.